Page 1 of 3

**Electronically Recorded** 

Official Public Records

**Tarrant County Texas** 

3/15/2011 4:06 PM

D211061616

Mary Louise Garcia

Mary Louise Garcia

PGS 3

\$24.00

Submitter: ACS



DALE PROPERTY SERVICES, LLC ATTN: RECORDING TEAM 500 TAYOLR ST. STE 600 FORT WORTH, TEXAS 76102

Submitter: DALE PROPERTY SERVICES, LLC

MARY LOUISE GARCIA
TARRANT COUNTY CLERK
TARRANT COUNTY COURTHOUSE
100 WEST WEATHERFORD
FORT WORTH, TX 76196-0401

## **DO NOT DESTROY**

WARNING - THIS IS PART OF THE OFFICAL RECORD

ELECTONICALLY RECORDED BY ACS ERXCHANGE

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) - Paid Up With 640 Acres Pooling Provision STANDARD LEASE W/ OPTION v. 5

## PAID UP OIL AND GAS LEASE (No Surface Use)

Electronically Recorded Chesapeake Operating, Inc.

THIS LEASE AGREEMENT IS made this	
Normielee Taylor Kussell AKA Manie les Toll No 10 B (18)	nd between
IS TULE GOODMAN ALLANDS, FOXT WORTH, TOXAS 76/07	
	Lessor, and
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of	73154-0496
In consideration of a cash bonus in hand paid and the proposest beginning the completion of	blank spaces!
1 In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the folloand, hereinafter called leased premises:	wing described

\*/36ACRES OF LAND, MORE OR LESS, BEING BIK 19 163 Slowd 32 OUT OF THE Charaberlain Avilington Hts. 2nd
AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED
IN VOLUME 63 PAGE 40 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.

in the county of TARRANT. State of TEXAS, containing \_\_/3/c \_ gross acres, more or less (including any interests therein which Lessor may hereafter acquire by substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and in consideration of the aforementational cash bonus. Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of cross acres above specified shall be deemed correct, whether actually more or less of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less

- 2 This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as or or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof
- of gas to dutier substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows:

  (a) For oil and other liquid hydrocarbook separated at Lessee's separator facilities, the royalty shall be Twenty Five Percent:

  (25)% of such production, to be delivered at Lessee's option to Lessor at the wellhead or then prevailing in the same field (or if there is no such price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing proce) for production of similar grade and gravity;

  (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be Twenty Five Percent;

  (25)% of the proceeds delivering, processing or otherwise marketing such gas or other substances provided that Lessee shall have the continuing right to ourchase such production at the prevailing processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to ourchase such production at the prevailing processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to ourchase such production at the prevailing proce paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences the production of the production there from is not being sold by Lessee, such well or wells are waiting on hydraulic fracture stimulation, but such well or wells are either shutin or production there from is not being sold by Lessee, such well or wells shall nevertheless be deemed
- 4 All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at 4 All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in <u>at Lessor's address above</u> or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereigner. to accept payment hereunder. Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive
- payments

  5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production if at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production there from, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant
- 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or honzontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with any termination of the gross c be adjusted accordingly. In the absence of production in paying or such revision, the proportion or any production thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests as written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests as written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests as written as a shall be conveyance of the leased premises began to the full mineral estate in all or any part of the leased premises began to the full mineral estate in
- of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises

## Page 3 of 3

- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the 6. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the original or otherwise shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change in ownership shall be binding on Lessee until 60 days until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter ansing with respect to the transferred interest in all or any portion of the area covered by this lease then held by each
- s cessee may, at any time and norm time to time, deliver to Lessor or file or record a written release or tims lease as to a rule or undertied interest in all of any portion the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter ansing with respect to the interest so released if Lessee releases all or an undivided interest in less than all of the area covered hereby. Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced
- In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover produce store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements.
- writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

  11 Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering
- Lesses shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted

  12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from
  Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon
  expiration of this lease. Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered
  and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to
  purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer

  13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee
  written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and
  there is a final judicial determination that a breach or default and a sessee fails to do so
  time after said judicial determination to remedy the breach or default and a sessee fails to do so
- time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- time after said judicial determination to remedy the breach or default and Lessee fails to do so.

  14 For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease

  15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties preventer, without interest, and lessee is made aware of any claim inconsistent with Lessee; and shutter royalties preventer, without interest, and
- Lessee is made aware of any claim inconsistent with Lessor's title. Lessee may suspend the payment of royalties and shut-in royalties nereunder without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Notwithstanding anything contained to the contrary in this lease. Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations
- 17 Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of Two (2) years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this lease

  18 This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.
- DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs.

s, devisees, executors, administrators, successors and assigns, whether or not this least	e has been executed by all parties nereinabove harned as cessor.
SSOR (WHETHER ONE OR MORE)	
Signature order & Geniarra  Printed Name NORMIA RussEll	Signature
Printed Name. NOAMIA RussEll	Printed Name
STATE OF TEXAS	GMENT
<del></del>	May ( and Marialas Taylor Russell
COUNTY OF TARRANT  This instrument was acknowledged before me on the	Stanley Nest
STANLEY SCOTT	Notary Public, State/of Texas Notary's name (printed)
MY COMMISSION EXPIRES February 21, 2015	Notary's commission expires:
ACKNOWLED	OGMENT
STATE OF <u>TEXAS</u> COUNTY OF TARRANT	

Notary Public, State of Texas Notary's name (printed) Notary's commission expires